

AR38

Canadian
Pacific
Investments
Limited

Proceedings at the
Annual Meeting
of Shareholders
Monday,
April 26, 1971

Le Château
Champlain
Place du Canada
Montreal
Canada

Canadian Pacific Investments Limited
Montreal, Canada

The following is a summary of the business transacted at the Annual Meeting of Shareholders held at Montreal, Canada, on April 26, 1971.

Mr. N. R. Crump, Chairman of the Company, presided at the meeting and Mr. J. C. Ames, Secretary of the Company, acted as secretary.

After notice of the meeting had been read and Report of Scrutineers as to a quorum had been received, the Chairman declared the meeting to be regularly called and properly constituted for the transaction of business.

Minutes of the last Annual Meeting of Shareholders held on April 27, 1970 were confirmed.

The Auditors' Report to the Shareholders having been read and reading of the Report of the Directors for 1970 having been dispensed with, the President, The Hon. Duff Roblin, P.C., C.C., addressed the meeting as set out in this booklet, beginning at page 3. Following his address the Report of the Directors, accompanying Consolidated Financial Statements and the Auditors' Report thereon for the year ended December 31, 1970, were approved.

The following were duly elected as Directors of the Company to hold office until the next Annual Meeting of Shareholders:

W. A. Arbuckle

A. M. Campbell

N. R. Crump

R. Hendricks

S. E. Nixon

H. M. Pickard

Hon. Duff Roblin, P.C., C.C.

Ian D. Sinclair

G. J. van den Berg

Price Waterhouse & Co. were appointed Auditors for the ensuing year and the Board of Directors was authorized to fix the remuneration to be paid to the Auditors.

The meeting then terminated.

After the shareholders' meeting, the Directors met and elected Officers of the Company and the Executive Committee as follows:

Officers of the Company

an D. Sinclair, Chairman of the Company and
Chief Executive Officer
Hon. Duff Roblin, P.C., C.C., President
H. M. Pickard, Executive Vice-President
G. J. van den Berg, Vice-President, Investments

The Executive Committee

W. A. Arbuckle
A. M. Campbell
J. R. Crump
Hon. Duff Roblin, P.C., C.C.
an D. Sinclair

MAY 17 1971

Text of address by the President, The Hon. Duff Roblin, P.C., C.C., to the Annual Meeting of Shareholders at Montreal, Canada, April 26, 1971.

On behalf of the Directors of Canadian Pacific Investments Limited, I welcome all present to the 9th Annual Meeting of our Company. At this meeting it is customary for the President to report on the first quarter of the current year's operations and to offer some observations on the prospects of the Company for the year as a whole.

The impact on business of uncertainties in the economy in 1970 underlines the unusually wide range of possibilities that must be taken into account in attempting to forecast the likely course of events in 1971 for a widely-based natural resource and development company such as ours.

As the annual report makes clear, 1970 itself was a difficult year. We began hopefully but adverse developments in the general economy made their weight felt in certain of CPI's income accounts. The main factors can be quickly identified. The unpegging of the Canadian dollar and the subsequent rise in its price from 92¢ U.S. to more than 99¢ U.S. had an adverse effect on the profits resulting from export sales. In our case this was felt particularly in the field of mining and forest products. This development was reinforced by weakness in the price of base metals and forest products with the result that we experienced a substantial reduction in earnings in 1970 from Cominco and from our forest industry investments.

Fortunately these developments in the base metal and forest industries were mitigated in part by the ability of some of our other activities and interests to maintain earnings at a relatively high level even in a year of economic stagnation. In total, therefore, while the results of 1970 were somewhat below those of 1969, in the light of all the circumstances, a reasonably acceptable level of earnings was achieved.

The main trends that adversely influenced our 1970 results continued through the first quarter of 1971. The high price of the Canadian dollar continues to reduce earnings from base metal and forest product activities. It is our expectation, however, that the prices for base metals and forest products have bottomed out and that we may forecast marginal improvements by year end. At the same time, we anticipate an improvement in the returns from oil and natural gas operations. We look for better results from our hotel investments, while real estate returns and the anticipated results from our portfolio investments are expected to be difficult to maintain.

However, the Company's results for the first quarter of 1971 are substantially below the first quarter of 1970 and are disappointing to that extent. Consolidated earnings for the first three months of 1971 amounted to \$8.1 million which may be compared to \$12.5 million for the same period last year. After provision for preferred dividends, consolidated net income is equivalent to 13¢ per common share in contrast to 22¢ per common share earned in the same period in 1970. Satisfactory improvements in results were achieved from oil and gas operations and from our hotel operations but these improvements were more than offset by lower earnings from timberlands and real estate operations. In addition, the floating exchange rate and the level of commodity prices were responsible for the lower equity in the earnings from subsidiaries not consolidated. Both Cominco and Great Lakes Paper

have realized significantly lower results for the first quarter compared to 1970.

The report for the first quarter is being released today and will be mailed to shareholders along with a statement of today's proceedings. May I now give a more detailed report on our major areas of activities.

Energy

The strength of the demand for oil and gas and recent increases in the price of crude oil have been reflected in the first quarter results of Central-Del Rio Oils Limited and lead us to expect increased production and income in 1971. Net earnings before extraordinary items of Central-Del Rio Oils for the first quarter amounted to \$4.5 million, an increase of \$350,000 over the same period last year.

In 1970, Central-Del Rio recorded a gratifying increase in reserves of oil (7%) and natural gas (15%) over the previous year-end report. To this should be added new discoveries so far in 1971 at: Ferry Bank, Calling River, Countess and Meekwaps all in Alberta.

At the annual meeting of Central-Del Rio held last week, shareholder approval was given to apply for the formal amalgamation of Canadian Pacific Oil and Gas with Central-Del Rio Oils and for the Company to operate in future under a new name: PanCanadian Petroleum Limited.

Panarctic's important gas discoveries in the Canadian Arctic Islands underline the importance of our major participation in this highly prospective operation and in the future development of these reserves.

The development of our coking coal asset at Fording continues to move forward on schedule. We expect shipments to Roberts Bank storage areas to commence before the end of this year in readiness to meet the initial export delivery under the contract scheduled to begin early in 1972. Other important reserves of both coking coal and thermal coal are available for development. I am optimistic that new markets will be opened up both in Canada and elsewhere that will enable us to bring these assets into production.

Metals, Fertilizers and Chemicals

The net earnings of Cominco in the first quarter declined to \$2.7 million as compared to \$8.9 million for the same period last year.

I expect 1971 as a whole will be a difficult year for this company. Earnings might well reach the lowest level for recent years. But I also expect that better results will follow. Cominco's very strong resource position in the Sullivan Mine, Pine Point and Magmont Mines and its prospective position in Valley Copper, Greenex, Rubiales, Panarctic and other important mineral deposits give solid grounds for confidence.

Forest Products

Effective January 1, 1971 Pacific Logging Company Limited increased its holdings in T. W. MacKenzie Logging Limited from 49% to 100%. The consolidation of the operations of MacKenzie with that of Pacific Logging will improve both profits and cash flows from our timberland operations.

During the first quarter, however, unfavourable weather

conditions drastically reduced log production. This situation combined with low log prices resulted in a substantial decrease in the results for this quarter. Earnings from timberlands and related facilities, including the results of MacKenzie, amounted to a loss of \$127,000, which may be compared to a profit of \$878,000 for the first quarter in 1970. Management believe however that the short-fall in production can be made up and that improving log prices will enable them by year end to match or exceed the 1970 results.

The negotiations which you may have read in the press concerning the acquisition of a plywood operation in Vancouver have been terminated by the parties as certain of the terms of the purchase agreement could not be met.

Commencing January 1971, Great Lakes Paper Company became a subsidiary and CPI has adopted equity accounting to take into account its share of the earnings of that company. The earnings of Great Lakes Paper for the first quarter were much lower than the corresponding period last year for reasons mainly attributable to the unsatisfactory exchange rate of the Canadian dollar.

Hotels and Restaurants

The first quarter results of our hotel operation amounted to a profit of \$120,000, an improvement of \$295,000 over the same period last year. Changes have recently been made in the hotel management structure and we are looking forward to improved results for 1971 as a whole.

The hotel group will soon be expanding its flight kitchen activities by the addition of a new operation at Malton International Airport in Toronto.

Real Estate and Related Operations

The activities of Marathon Realty Company Limited during the first quarter of the year were mainly directed toward improving the economics and the management of its several projects. Construction is well advanced on its new shopping centres at Kelowna, B.C. and Galt, Ontario and it is expected that they will be in operation early in the second half of the year. Project 200 investments in Vancouver, in which Marathon has a substantial interest, is moving ahead on target, long term financing arrangements having been completed.

Marathon results for the first quarter at \$225,000 may be compared to the figure of \$527,000 for the same period last year. This Company is facing difficult rental markets in Calgary and Vancouver. Nevertheless, profits in 1971 are expected to be near the same level as the previous year. Marathon has also been selected as the developing agency for an important new urban renewal project in Fredericton, N.B. I also report that work has begun on the redevelopment of the Windsor Station area which Marathon is conducting in cooperation with the Canadian Pacific Railway Company. Recent negotiations with government authorities respecting the Metro Centre project in Toronto indicate that we will soon begin development of the site.

Financing

Canadian Pacific Securities Limited has recently filed a

prospectus for a new bond issue. When this transaction is completed, we shall have funds in hand to provide for the present new capital requirements of some of our operating companies and to give effect to the funding of another substantial portion of our short term obligations. I can also report that Cominco recently concluded a successful issue for \$65 million for funding and new capital purposes in that company.

Investment Portfolio

Investment income for the first quarter stands at \$1,966,000 compared to \$2,476,000 for the same period last year. The reduction is mainly accounted for by the lower temporary cash position and by lower rates of interest on our cash investments.

Outlook

In spite of the results of the first quarter of this year as compared to the first quarter of last year, I am not pessimistic about the results for 1971 as a whole. The first three months of 1971 do represent an improvement over the last three months of the previous year. The consensus of informed opinion now expects a real increase in the GNP of about 5%. It is true that during the first quarter only modest signs of such a recovery are apparent. Our own figures bear this out but I do not believe the first three months' results are indicative of our expectations for the year as a whole and I do expect CPI will share in the improvement forecast for the Canadian economy.

But there is little room for complacency. Few nations, if any, are more dependent on trade than Canada. Export trade accounts for 26% of our GNP. I doubt if many fully appreciate the damage being done to the volume and profitability of that trade by the current high price of the Canadian dollar. Unless a lower and more favourable exchange rate can be soon obtained, we will begin to see the consequences made clear in decreasing investments and increasing unemployment in a wide area of our economic life.

Britain's expected entry into the European Economic Community will add tariff increases to exchange problems for industries that include forest and mining interests. While we may hope that an expanded European Economic Community with the United Kingdom included will gradually adopt a more outward looking trading position, nothing much is likely to happen soon. This means that the Canadian export industries must explore ways and means open to them to widen their sales efforts and improve their sales results especially in the European Economic Community.

As a large Canadian resource development organization, we have a special interest in public policy and Canadian economic nationalism. Our experience shows that before Canadians adopt hostile measures to keep foreigners out, they should examine ways and means that might be adopted to enable Canadians to do more within Canada themselves.

Complaints arise about American takeover of Canadian companies. Such takeovers do take place. In some instances, this happens because the effect of Canadian tax laws on Canadians makes it possible for Americans to make a better offer for the takeover than Canadians can make. It is within

our power to deal with this restriction by changing the impact of our own tax laws on Canadians instead of discriminating against foreigners. Similarly we have complaints about foreign capital coming in with the ability to displace Canadian ownership. New capital is a commodity that expanding economies like ours must have. If incoming foreign capital is thought to create problems for us then, in logic, we should first adopt measures to maximize the supply of Canadian capital. This means we should encourage savings. But the signs afforded by the White Paper on taxation and other indications of government policy point to new tax measures that will decrease in a dramatic fashion incentives for Canadians to save. It would seem therefore that an important step in strengthening Canadian economic independence would be to eliminate these self-imposed handicaps that inhibit the participation by Canadians in the growth of Canada. While such measures may not be enough in themselves, they do point to ways and means of securing our economic independence without adopting those extreme steps sometimes proposed that would set us off from the world economic community at the price of a lowered standard of living.

In the meanwhile CPI provides a Canadian controlled intermediary by which we can bring important Canadian assets into the stream of production and profit. The directors, management and our several thousand employees are dedicated to this task.

Report for the six months
ended June 30, 1971

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To the Shareholders:

Consolidated net income of the Company for the first half of 1971 amounted to \$17.9 million, compared with \$22.4 million for the same period of 1970. Earnings per common share after preferred dividends were 31¢ in the first six months of the current year and 40¢ in the similar period of last year. The decrease of 9¢ per common share relates wholly to the first quarter.

Income from oil, gas and other minerals and from hotels and restaurants continued on the upward trend that was evident in the first quarter. Timberland earnings picked up in the second quarter, due to increased production and higher log prices, and income from real estate and related operations also improved. Neither of the latter operations, however, fully overtook the drop in earnings of the previous quarter.

The decline in investment income and equity in income of non-consolidated subsidiaries reflects mainly the persisting adverse effects of low lead prices on the earnings of Cominco Ltd., the high exchange rate of the Canadian dollar on the value of export sales of both Cominco and The Great Lakes Paper Company, Limited, and the reduction in dividends from pulp and paper interests.

The regular half-yearly dividend on the 4¼% preferred stock was paid on May 1, and a dividend of 23¢ per share on the common stock, the same amount as for the first half of 1970, was paid on July 28.

Early in July, Central-Del Rio Oils Limited announced that it had concluded an agreement to acquire all the assets of Mana Resources, Inc. of Dallas, Texas, for approximately 754,000 CDR shares. Mana Resources holds various oil and gas interests in Canada and the United States. These include interests in the Countess area of southeastern Alberta, where CDR has under way a major secondary recovery project. Following the exchange of shares, Canadian Pacific Investments Limited will hold about 87.10% of the shares of CDR, compared with the present 89.26%.

Current economic conditions make a forecast difficult but earnings for the balance of the year are expected to hold steady or improve somewhat.

President

Chairman and Chief
Executive Officer

Montreal, August 3, 1971.

Report for the six months
ended June 30, 1971

Subject to audit

Figures in thousands,
except amounts per share

Statement of Consolidated Income	1971	1970	*After minority interest
Oil, gas and other minerals*	\$ 6,745	\$ 6,163	
Timberlands and related facilities	654	1,249	
Real estate and related operations	747	786	
Hotels and restaurants	877	202	
Financing	69	72	
Investment income	6,590	11,192	
Net income from operations (after income taxes of - 1971 - \$5,426,000; 1970 - \$5,486,000)	15,682	19,664	
Equity in income of subsidiaries not consolidated in excess of dividends included above	1,572	2,753†	
Consolidated income before extraordinary items	17,254	22,417	
Extraordinary items*	636	—	
Consolidated net income	\$17,890	\$22,417	
Per common share after preferred dividends	29¢	40¢	
Consolidated income before extraordinary items	31¢	40¢	
Consolidated net income			

*Net income before equity in income of partly-owned subsidiary companies (in excess of dividends received), depreciation, depletion, amortization, deferred income taxes and minority interest in income of subsidiary.

Statement of Consolidated Source and Application of Funds	1971	1970
Source of Funds		
Funds from operations*	\$29,719	\$32,130
Sale of investments (cost)	20,154	12,513
Capital stock issued	9	4
Increase in long term debt	2,968	29,988
Proceeds from disposal of properties	861	242
	\$53,711	\$74,877
Application of Funds		
Additions to investments	\$ 2,683	\$21,613
Additions to properties	18,934	38,646
Dividends declared	13,877	13,876
Sundries (net)	4,850	4,018
Increase in working capital	13,367	(3,276)
	\$53,711	\$74,877

Rapport aux actionnaires

Le revenu net consolidé de la Compagnie pour le premier semestre de 1971 s'élève à \$17.9 millions, contre \$22.4 millions pour la période correspondante de 1970. Les bénéfices d'actions ordinaires, après prélèvement des dividendes de priorité, sont de 31 cents pour le premier semestre de l'année en cours alors qu'ils s'élevaient à 40 cents pour la même période de l'année précédente. La diminution de 9 cents par action ordinaire s'est produite tout entière au premier trimestre.

Les revenus du pétrole, du gaz naturel et des autres produits miniers, ainsi que ceux des hôtels et restaurants, ont confirmé la tendance à la hausse qu'ils accusaient déjà au premier trimestre. Les bénéfices des exploitations forestières ont effectué une percée au second trimestre, par suite d'une plus forte demande et de la montée des prix des grumes. L'immobilier et les activités connexes sont également en hausse. Toutefois, aucune de toutes ces activités n'a entièrement compensé le fléchissement du premier trimestre.

La baisse du revenu des placements et la quote-part des bénéfices des filiales non consolidées reflètent surtout les effets persistants de la baisse de prix du plomb sur les bénéfices de Cominco Ltée, du cours élevé du dollar canadien sur le produit des exportations de Cominco et de The Great Lakes Paper Company Limited, et de la réduction des dividendes des titres des pâtes et papiers.

Le dividende semestriel normal des actions privilégiées à 4¾% a été payé le 1er mai et un dividende de 23 cents par action ordinaire, le même que pour le premier semestre de 1970, a été payé le 28 juillet.

Au début de juillet, Central-Dei Rio Oils Limited a annoncé la conclusion d'un accord sur l'acquisition des avoirs de Mana Resources, Inc. de Dallas, Texas, moyennant environ 754 000 actions Central-Dei Rio. Mana Resources détient différents intérêts dans le pétrole et le gaz naturel au Canada et aux États-Unis, parmi lesquels des intérêts dans la région de Couness, dans le sud-est de l'Alberta, où Central-Dei Rio a mis en route un important projet pour la récupération des sous-produits. Après l'échange de participations, Canadian Pacific Investments Limited détiendra environ 87,10% des parts de Central-Dei Rio contre 89,26% présentement.

La conjoncture économique actuelle ne se prête guère aux prévisions mais on peut s'attendre à un ferme maintien des résultats du bilan de fin d'année ou même à une certaine amélioration.

Le président, et chef de l'exécutif,

Montreal, le 3 août 1971

Etat du revenu consolidé

	1971	1970
Pétrole, gaz et autres produits miniers*	\$ 6 745	\$ 6 163
Exploitations forestières et activités connexes	654	1 249
Immobilier et activités connexes	747	786
Hôtels et restaurants	877	202
Financement	69	72
Revenu de placements	6 590	1 192

Bénéfices nets d'exploitation (déduction faite des impôts sur le revenu 1971 — \$5 426 000, 1970 — \$5 486 000)

Quote-part des bénéfices des filiales non consolidées en plus des dividendes inclus dans les chiffres ci-dessus

Bénéfices consolidés avant revenus exceptionnels	17 254	22 417
Revenus exceptionnels*	636	—
Bénéfices nets consolidés	\$17 890	\$22 417

Soit, par action ordinaire après déduction des dividendes privilégiés:

Bénéfices consolidés avant revenus exceptionnels	29c	40c
Bénéfices nets consolidés	31c	40c

Etat consolidé des mouvements de trésorerie

	1971	1970
Entrées		
Recettes d'exploitation*	\$29 719	\$32 130
Vente de titres (valeur d'acquisition)	20 154	12 513
Emission d'actions	9	4
Augmentation de la dette à long terme	2 968	29 988
Produit de la vente d'immobilisations	861	242
	\$53 711	\$74 877

Sorties		
Augmentation du portefeuille	\$ 2 683	\$21 613
Immobilisations	18 934	38 646
Dividendes déclarés	13 877	13 876
Divers (net)	4 850	4 018
Augmentation du fonds de roulement	13 367	(3 276)
	\$53 711	\$74 877

Sous réserve de vérification (en milliers de dollars sauf les revenus par action)

*Après prélèvement des intérêts minoritaires.

†Le chiffre qui est rappelé ici fait apparaître une diminution appliquée pour dépréciation par une filiale de Cominco Ltée.

En 1971, le poste « revenus exceptionnels » tient compte du gain de \$357 000 réalisé par la conversion de monnaie américaine en monnaie canadienne des prêts bancaires et de la quote-part à la baisse d'impôts sur le revenu d'une filiale de Cominco Ltée, résultant de pertes et de crédits fiscaux d'années antérieures s'élevant à \$279 000.

* Recettes nettes, moins quote-part du revenu des filiales en propriété partielle (en plus des dividendes), dépréciation, épaulement, amortissement, impôts sur le revenu différés et participation minoritaire aux bénéfices d'une filiale.



APR - 2 1971

Notice of Annual Meeting of Shareholders

The Annual Meeting of the Shareholders of Canadian Pacific Investments Limited will be held on Monday, April 26th, 1971, at Le Château Champlain, Place du Canada, Montreal, Quebec, at 11:00 A.M. (daylight saving time, if operative), for the following purposes:

- a. to receive and, if deemed fit, approve the Report of the Directors, accompanying Consolidated Financial Statements and Report of the Auditors thereon, for the year ended December 31st, 1970;
- b. to elect Directors;
- c. to appoint Auditors and to authorize the Board of Directors to fix their remuneration; and
- d. to transact such other business as may properly come before the meeting.

By order of the Board,
J. C. Ames, Secretary.

Montreal, March 5th, 1971.

Note: If you are unable to attend the meeting in person, please complete and return the enclosed form of proxy.

Information Circular

(Dated as of February 28, 1971)

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation by Management of Canadian Pacific Investments Limited of proxies for use at the Annual Meeting of Shareholders of the Company to be held on Monday, April 26th, 1971 at Le Château Champlain, Place du Canada, Montreal, Quebec, and at all adjournments thereof. The total cost of solicitation will be borne by the Company.

Appointment and Revocation of Proxies

Every Shareholder is entitled to give one vote for each share held by him at all meetings of Shareholders of the Company and such vote may be given in person or by proxy whether or not such proxy is himself a Shareholder.

The persons named in the enclosed form of proxy are Directors of the Company. A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT HIM AT THE MEETING MAY DO SO BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND BY STRIKING OUT THE PRINTED NAMES AND INITIALLING THE CHANGE.

A Shareholder giving the instrument of proxy may revoke the same at any time for all subsequent purposes for which the same shall have been given.

Exercise of Discretion by Proxies

Shares represented by the accompanying proxy hereby solicited by Management will be voted and where a choice has been specified in respect of matters for which a choice is provided in the form of proxy the shares will, subject to exception provided by law, be voted in accordance with such specification. IN THE ABSENCE OF SUCH SPECIFICATION SUCH SHARES WILL BE VOTED "FOR".

SHARES REPRESENTED BY THE PROXY HEREBY SOLICITED BY MANAGEMENT WILL ALSO BE VOTED IN FAVOUR OF THE ELECTION OF DIRECTORS AND THE APPOINTMENT OF AUDITORS AS STATED UNDER THOSE HEADINGS IN THIS CIRCULAR.

The enclosed form of proxy also confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, and with respect to other matters which may properly come before the meeting. At the time of printing this circular, the Management of the Company knows of no such amendments, variations or other matters to come before the meeting other than the matters referred to in the notice of meeting.

Voting Shares

On February 28th, 1971, the Company had outstanding 50,095,269 Common Shares without nominal or par value, each carrying one vote, and 4,955,498 4¾% Cumulative Redeemable Convertible Voting Preferred Shares, Series A, each carrying one vote. As at February 28th, 1971, Canadian Pacific Railway Company owned 50,000,000 Common Shares representing 90.83% of the outstanding equity shares of the Company carrying voting rights. The holders of Preferred Shares as a class are entitled to elect two Directors in the event dividends on the Preferred Shares of any series become in arrears to the extent of four semi-annual dividends and until such time as all arrears have been paid. Such circumstances have not arisen.

The holders of shares of record at the time of the Annual Meeting will be entitled to vote such shares at the meeting.

Election of Directors

The by-laws of the Company provide that the Board of Directors shall consist of nine Directors. Each Director elected will hold office until the next Annual Meeting of Shareholders and until his successor is duly elected. The persons listed on the following page will retire as Directors at the forthcoming Annual Meeting on April 26th, 1971 and they are eligible and will be nominated for re-election. The Management does not contemplate that any of the nominees will be unable to serve as a Director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Information, as of February 28th, 1971, as to the nine nominees is as follows:

Names of Directors and Offices held in Company	Date on which present term of office expires	Principal occupation or employment	Director since	Equity Securities of Canadian Pacific Investments Limited or its subsidiaries beneficially owned
*W. A. Arbuckle	April 26, 1971	Chairman of the Canadian Board, The Standard Life Assurance Company, Montreal.	1964	2,750 C.P. Investments Limited Pfd. Shares, Series A and 2,750 Share Purchase Warrants 1,000 Cominco Ltd. Common Shares
*A. M. Campbell	April 26, 1971	Chairman and chief executive officer, Sun Life Assurance Company of Canada, Montreal.	1962	2,600 C.P. Investments Limited Pfd. Shares, Series A and 2,500 Share Purchase Warrants
*N. R. Crump, Chairman and Chief Executive Officer	April 26, 1971	Chairman of the Company, Canadian Pacific Railway Company, Montreal.	1962	5,000 C.P. Investments Limited Pfd. Shares, Series A 1,000 Cominco Ltd. Common Shares
R. Hendricks	April 26, 1971	President and Chief Executive Officer, Cominco Ltd., Vancouver. engaged in the business of mining, metals, chemicals, and fertilizers	1967	400 C.P. Investments Limited Pfd. Shares, Series A and 400 Share Purchase Warrants 1,300 Cominco Ltd. Common Shares
S. E. Nixon	April 26, 1971	Director, Dominion Securities Corporation Limited, Montreal. engaged in the investment field	1962	1,000 C.P. Investments Limited Pfd. Shares, Series A and 1,000 Share Purchase Warrants 100 Cominco Ltd. Common Shares
H. M. Pickard, Executive Vice-President	April 26, 1971	Executive Vice-President, Canadian Pacific Investments Limited, Calgary.	1970	1,700 C.P. Investments Limited Pfd. Shares, Series A 1 Central-Del Dio Oils Limited Common Share
*The Hon. Duff Roblin, P.C., C.C., President	April 26, 1971	President, Canadian Pacific Investments Limited, Montreal.	1967	200 C.P. Investments Limited Pfd. Shares, Series A 200 Cominco Ltd. Common Shares
*Ian D. Sinclair, Vice-President	April 26, 1971	President and Chief Executive Officer, Canadian Pacific Railway Company, Montreal.	1962	15,000 C.P. Investments Limited Pfd. Shares, Series A 100 Cominco Ltd. Common Shares 50 Central-Del Rio Oils Limited Common Shares
G. J. van den Berg, Vice-President, Investments	April 26, 1971	Vice-President, Finance, Canadian Pacific Railway Company, Montreal.	1964	200 C.P. Investments Limited Pfd. Shares, Series A and 100 Share Purchase Warrants

*Member of Executive Committee

Remuneration of Directors and Senior Officers

The aggregate remuneration paid by the Company and its subsidiaries whose financial statements are consolidated with those of the Company to the Directors and Senior Officers of the Company during 1970 amounted to \$175,166.67. The aggregate remuneration paid by subsidiaries of the Company whose financial statements are not consolidated with those of the Company to the Directors and Senior Officers of the Company during 1970 amounted to \$166,562.10. The estimated aggregate cost to the Company and its subsidiaries in 1970 of all pension benefits to be paid under pension plans in the event of retirement at normal retirement age of Directors or Senior Officers of the Company was \$8,650.00.

Interest of Management and Others in Material Transactions during period January 1, 1970 – February 28, 1971

Canadian Pacific Investments Limited (CPI)

CPI acquired an additional 439,866 shares, at \$10.00 per share, of the Capital Stock of Marathon Realty Company Limited, a wholly-owned subsidiary.

CPI made additional advances to Fording Coal Limited totalling \$8,063,000 which, together with advances made in 1969, were converted into 4,800,000 shares, at \$2.00 per share, of the capital stock of Fording Coal Limited.

On June 30, 1970, Pacific Coast Terminals Co. Ltd. and Pacific Coast Bulk Terminals Ltd. agreed to amalgamate into one company to be known by the name "Pacific Coast Terminals Co. Ltd." Under the terms of the Amalgamation Agreement, CPI became the owner of 171,787 Common Shares or 19.41% of the issued shares of the "New" Company in exchange for securities of Pacific Coast Bulk Terminals Ltd.

Interest of Management
and Others
in Material Transactions
during
period January 1, 1970 –
February 28, 1971
(Cont'd.)

As a result of an agreement with Cominco Ltd., dated October 1, 1970, CPI, if necessary, will make available to Fording Coal Limited any credit required to enable that Company to complete its Fording River coal project. The obligation of CPI would extend to 60% of any monies so required and Cominco Ltd. would assume the remaining 40%.

CPI has undertaken to guarantee the short and long term debt obligations of its wholly-owned subsidiary, Canadian Pacific Securities Limited, up to an amount fixed by the Board of Directors. At February 28, 1971, the total amount guaranteed, including accrued interest, was approximately \$225,608,000.

Canadian Pacific Securities Limited (CPSL)

During the period, loans made by CPSL to associate or affiliate companies of CPI, less loans repaid, by the respective companies, were as follows:

Canadian Pacific Air Lines, Limited	\$11,500,000
Canadian Pacific Railway Company	\$25,000,000
Marathon Realty Company Limited	\$23,482,000
Marathon Aviation Terminals Limited	\$ 1,464,000
Manar Properties	\$ 2,135,000

Marathon Realty Company Limited (Marathon)

Marathon has funded \$65,000,000 of its short-term debt to mature in 1990.

Marathon has undertaken since January 1, 1970 to guarantee certain obligations of subsidiary companies and companies in which it holds a substantial interest and the total amount so guaranteed as at February 28, 1971, was approximately \$4,426,000.

Negotiations are in progress covering the proposed sale by Marathon of certain lands in Montreal, Quebec, to Canadian Pacific Railway Company.

Cominco Ltd. (Cominco)

Cominco entered into an agreement with Fording Coal Limited covering transfer of certain coal rights in British Columbia which Fording is to develop.

Pursuant to an agreement dated April 10, 1970, Cominco agreed to lend to Valley Copper Mines Ltd. up to an additional \$5,000,000 for a total of \$6,000,000.

Appointment of Auditors

Price Waterhouse & Co. have served as Auditors of the Company since January 31st, 1964 and will be nominated for reappointment to the office of Auditors of the Company for the term expiring with the Annual Meeting of Shareholders in 1972 at a remuneration to be fixed by the Board of Directors.

Dated at Montreal, Que., as of February 28th, 1971.

Le 30 juin 1970, Pacific Coast Terminals Co. Ltd. et Pacific Coast Bulk Terminals Ltd. ont décidé de fusionner en une seule compagnie sous le nom de "Pacific Coast Terminals Co. Ltd.". Aux termes de la convention de fusion, CPL est devenu propriétaire de 171 787 actions ordinaires, soit 19,41 % des actions de la nouvelle compagnie, en échange de ses titres de Pacific Coast Bulk Terminals Ltd.

En vertu d'un accord passé avec Cominco Ltée le 1^{er} octobre 1970, CPL s'est engagé à mettre à la disposition de Fording Coal Limited les crédits dont cette compagnie pourrait avoir besoin pour l'exploitation du projet d'exploitation du charbon de Fording River. La participation de CPL couvrirait 60 % du financement, le reste, soit 40 %, étant assumé par Cominco Ltée.

CPL a décidé de garantir les dettes à long et à court terme de sa filiale en toute propriété. Canadian Pacific Securities Limited, dans la limite d'un plafond à fixer par le conseil d'administration. Au 28 février 1971, cette garantie s'élève à environ \$225 608 000, intérêts compris.

Canadian Pacific Securities Limited (CPSL)

Pour cette période, les prêts consentis par CPSL aux compagnies associées ou affiliées à CPL, déduction faite des remboursements de prêts antérieurs, se répartissent comme suit:

Canadian Pacific Air Lines, Limited	\$11 500 000
Canadian Pacific Railway Company	\$25 000 000
Marathon Realty Company Limited	\$23 482 000
Marathon Aviation Terminals Limited	\$ 1 464 000
Manar Properties	\$ 2 135 000

Marathon Realty Company Limited (Marathon)

Marathon a consolidé \$65 000 000 de sa dette à court terme à échoir en 1990.

Marathon a décidé, à compter du 1^{er} janvier 1970, de garantir certains engagements financiers de filiales et de sociétés dans lesquelles elle possède une participation importante. Au 28 février 1971, cette garantie s'élève à environ \$4 426 000.

Des négociations sont en cours pour des cessions de terrains à Montréal, Québec, par Marathon à Canadian Pacific Railway Company.

Cominco Ltée (Cominco)

Cominco a conclu un accord avec Fording Coal Limited transférant à cette compagnie certaines concessions charbonnières en Colombie-Britannique dont Fording assumera l'exploitation.

Aux termes d'un accord passé le 10 avril 1970, Cominco a accordé à Valley Copper Mines Ltd. un prêt complémentaire de \$5 000 000 portant le total de l'avance à \$6 000 000.

Price Waterhouse & Co. ont été les vérificateurs de la Compagnie depuis le 31 janvier 1964 et la reconduction de leurs fonctions sera proposée pour la période allant jusqu'à l'assemblée générale des actionnaires de 1972, à une rémunération fixée par le conseil d'administration.

Fait à Montréal, Québec, le 28 février 1971.

Désignation des vérificateurs

Membres du conseil et postes occupés dans la Compagnie	Date d'expiration du mandat	Occupation principale	Date d'élection au conseil	Participation bénéficiaire au capital social de Canadian Pacific Investments Limited ou de ses filiales
W. A. Arbuckle	26 avril 1971	Président du conseil canadien Compagnie d'assurance-vie Standard Life, Montréal	1964	2 750 actions privilégiées, série A, et 2 750 warrants de C.P. Investments Limited. Cominco Ltée.
A. M. Campbell	26 avril 1971	Président du conseil et chef de la direction Sun Life du Canada Compagnie d'assurance-vie, Montréal	1962	2 600 actions privilégiées, série A, et 2 500 warrants de C.P. Investments Limited.
N. R. Crump	26 avril 1971	Président du conseil Canadian Pacific Railway Company Montréal	1962	5 000 actions privilégiées, série A, de C.P. Investments Limited. 1 000 actions ordinaires de Cominco Ltée.
R. Hendricks	26 avril 1971	Président et chef de la direction Cominco Ltée, Vancouver (mines, métallurgie, produits chimiques, engrais)	1967	400 actions privilégiées, série A, et 400 warrants de C.P. Investments Limited. 1 300 actions ordinaires de Cominco Ltée.
S. E. Nixon	26 avril 1971	Directeur Dominion Securities Corporation Limited, Montréal (placements)	1962	1 000 actions privilégiées, série A, et 1 000 warrants de C.P. Investments Limited. 100 actions ordinaires de Cominco Ltée.
H. M. Pickard	26 avril 1971	Vice-président, direction Canadian Pacific Investments Limited, Calgary	1970	1 700 actions privilégiées, série A, de C.P. Investments Limited. 1 action ordinaire de Central-Del Rio Oils Limited.
L'hon. Duff Roblin, C.P., C.C., Président	26 avril 1971	Président, Canadian Pacific Investments Limited, Montréal	1967	200 actions privilégiées, série A, de C.P. Investments Limited. 200 actions ordinaires de Cominco Ltée.
Ian D. Sinclair	26 avril 1971	Président et chef de la direction Canadian Pacific Railway Company Montréal	1962	15 000 actions privilégiées, série A, de C.P. Investments Limited. 100 actions ordinaires de Cominco Ltée.
G. J. van den Berg	26 avril 1971	Vice-président, finances Canadian Pacific Railway Company Montréal	1964	200 actions privilégiées, série A, et 100 warrants de C.P. Investments Limited.
Membre du comité exécutif				
Rémunération des membres du conseil d'administration et de la haute direction		L'ensemble des rémunérations que la Compagnie et les filiales dont les résultats financiers sont consolidés avec ceux de la société ont versé en 1970 aux membres du conseil d'administration et de la haute direction de la Compagnie s'élève à \$175 166,67. L'ensemble des rémunérations que les filiales dont les résultats financiers ne sont pas consolidés avec ceux de la société ont versé en 1970 aux membres du conseil d'administration et de la haute direction de la Compagnie s'élève à \$166 562,10. La constitution des pensions qui seront versées aux membres du conseil d'adminis- tration et de la haute direction de la Compagnie au moment de leur retraite à l'âge normal, a représenté en 1970 une charge estimative de \$8 650 pour la Compagnie et ses filiales.		
Activités du groupe pendant la période du 1 ^{er} janvier 1970 au 28 février 1971		Canadian Pacific Investments Limited (CPI)		
		CPI a acquis 439 866 actions de plus, à \$10 l'une, du capital-actions de Marathon Realty Company Limited, filiale en toute propriété.		
		CPI a consenti de nouvelles avances à Fording Coal Limited, d'un montant de \$8 063 000; cumulées avec celles de 1969, ces avances ont été converties en 4 800 000 actions à \$2 l'une, du capital- actions de Fording Coal Limited.		

Circulaire d'information

(au 28 février 1971)

La présente circulaire accompagne la demande de procuration de la direction de CANADIAN PACIFIC INVESTMENTS LIMITED pour l'assemblée générale annuelle des actionnaires qui se tiendra le lundi 26 avril 1971 au Château Champlain, Place du Canada, Montréal, Québec, et à toutes prorogations de celle-ci. Les frais de cette demande sont à la charge de la Compagnie.

Désignation et révocation
des mandataires

A toutes les assemblées générales, les actionnaires disposent d'une voix par action et peuvent voter en personne ou par procuration, que le mandataire soit ou non actionnaire de la Compagnie.

Les noms qui figurent sur la formule de procuration sont ceux de membres du conseil d'administrations de la Compagnie. L'ACTIONNAIRE QUI DÉSIRE MANDATER QUELQU'UN D'AUTRE PEUT LE FAIRE EN INDICANT LE NOM DU MANDATAIRE DE SON CHOIX DANS L'ESPACE LAISSÉ EN BLANC DANS LE TEXTE DE LA PROCURATION, EN RAYANT LES AUTRES NOMS ET EN INSCRIVANT SES INITIALES EN REGARD.

La procuration est toujours révocable et elle perd toute validité à compter de la révocation.

Latitude laissée
aux mandataires

Les droits de vote que confère la procuration demandée par la direction seront exercés et, lorsque le mandant aura indiqué un choix dans la procuration, le mandataire sera tenu de s'y conformer, sous réserve des exceptions prévues par la loi. EN L'ABSENCE DE TOUTE INDICATION, LE MANDATAIRE VOTE EN FAVEUR DE LA PROPOSITION.

LA PROCURATION DEMANDÉE PAR LA DIRECTION SERVIRA ÉGALEMENT À VOTER POUR L'ÉLECTION DES MEMBRES DU CONSEIL D'ADMINISTRATION ET POUR LA NOMINATION DES VÉRIFICATEURS SELON LES INDICATIONS DE LA PRÉSENTE CIRCULAIRE.

La procuration donne également au mandataire pouvoir de se prononcer sur les modifications ou amendements apportés aux questions à l'ordre du jour, ainsi que sur les autres questions dont l'assemblée générale peut normalement être saisie. Au moment de mettre sous presse, la direction de la Compagnie n'a connaissance d'aucun amendement ou modification dont l'assemblée pourrait être saisie, ni de question qui ne soit prévue à l'ordre du jour.

Actions avec droit de vote

Au 28 février 1971, la Compagnie avait en circulation 50 095 269 actions ordinaires sans valeur nominale ou au pair donnant droit à une voix chacune et 4 955 498 actions privilégiées rachetables et convertibles à dividende cumulatif de 4¾%, série A, donnant droit à une voix chacune; et Canadian Pacific Railway Company possédait 90,83% des actions ordinaires, soit 50 000 000. Dans l'hypothèse où le paiement des dividendes des actions privilégiées des différentes séries est en retard de quatre versements semestriels et jusqu'à ce que la totalité de l'arriéré ait été réglée, les détenteurs d'actions privilégiées peuvent élire deux membres du conseil d'administration. Ce cas ne s'est pas encore produit.

Les actionnaires inscrits à la date de l'assemblée générale sont autorisés à voter à cette assemblée.

Election des membres
du conseil d'administration

Selon les statuts de la Compagnie, le conseil d'administration compte neuf membres. Une fois élus, les membres du conseil d'administration restent en fonction jusqu'à la prochaine assemblée générale et jusqu'à ce que leur successeur soit régulièrement élu. Les personnes dont les noms figurent à la page suivante voient leur mandat s'achever, à l'assemblée générale du 26 avril 1971 et, comme elles sont rééligibles, leur réélection sera proposée. La direction estime que les candidats sont dignes d'occuper les fonctions de membre du conseil d'administration mais s'ils en devenaient incapables avant l'assemblée générale, pour quelque raison que ce soit, les titulaires de la procuration se réservent le droit de voter pour un autre candidat de leur choix. Voici les renseignements, en notre possession au 28 février 1971, sur les neuf candidats au renouvellement du conseil d'administration:

Avis aux actionnaires

L'assemblée générale annuelle des actionnaires de Canadian Pacific Investments Limited se tiendra le lundi 26 avril 1971 au Château Champlain, Place du Canada, Montréal, Québec, à 11 heures (heure avancée, si elle est en vigueur), pour traiter les questions suivantes:

- a. Examen et mise au vote du rapport du conseil d'administration, ainsi que des états financiers consolidés accompagnés du rapport des vérificateurs pour l'exercice clos le 31 décembre 1970;
- b. Election des membres du conseil d'administration;
- c. Nomination des vérificateurs et autorisation du conseil d'administration de fixer leur rémunération;
- d. Débat sur toute question dont l'assemblée peut normalement être saisie.

Par ordre du conseil d'administration

Le secrétaire,
J. C. Ames

Montréal, le 5 mars 1971

N.B. S'il vous est impossible d'assister à l'assemblée générale, veuillez remplir la formule de procuration ci-jointe et la renvoyer.